

2024

MISSOURI MEDICAL AND ADULT-USE CANNABIS ANNUAL REPORT



Cannabis.Mo.Gov





MISSOURI DEPARTMENT OF
HEALTH &
SENIOR SERVICES



TABLE OF CONTENTS

01

Introduction and History

Introduction and Letter from the Director.....	6
Cannabis Regulation in Missouri.....	8

02

Program Year 2024

Program Year Achievements.....	12
Distribution of Funds	18
Identification Cards and Licenses	23

03

Actions and Wrap-Up

Regulatory Enforcement	30
Administrative Hearing Commission Appeals	32
Conclusion.....	34

A Table of Figures is included at the end of this Annual Report for easy reference.

A close-up photograph of a cannabis plant, showing serrated leaves and a developing flower bud, overlaid with a dark blue tint.

01

INTRODUCTION AND HISTORY



Visit our website for
additional information

[Cannabis.Mo.Gov](https://cannabis.mo.gov)



SECTIONS



Introduction and Letter from the Director

This report outlines actions and achievements during the 2024 program year, covering both medical and adult-use cannabis programs.



Cannabis Regulation in Missouri

The Missouri Department of Health and Senior Services (DHSS) oversees licensing, enforcement and compliance, ensuring cannabis is produced, distributed and consumed safely.

INTRODUCTION

DHSS oversees cannabis regulation under authority granted by Article XIV of the Missouri Constitution (Article XIV).

Following voter approval of medical use of cannabis in 2018 and adult use of cannabis in 2022, DHSS regulates the production, distribution and access to cannabis in Missouri. Pursuant to Article XIV, cannabis is regulated for the health and safety of Missourians.

Pursuant to Article XIV, Sections 1 and 2 of the Missouri Constitution, it is my privilege, as the Division of Cannabis Regulation (DCR) Director within DHSS, to present this annual report accounting for the effective discharge of our responsibilities. This report covers the program year 2024 (PY24) from Dec. 1, 2023, through Nov. 30, 2024.

As has been the case each year since this program began in December 2018, there have been many significant developments within our division in PY24. Through all of these developments, we have remained focused on building successful teams and refining our processes to guarantee effective regulation of the Missouri cannabis program for both medical and adult use of cannabis.

During PY24, we successfully completed the second round of microbusiness applications and licensing and began the second round of post-licensure verification ensuring these licenses were awarded to eligible individuals. These activities were conducted in ways that demonstrated our commitment to ensuring the microbusiness program is implemented as the law mandates and as voters intended. We also met important packaging and labeling compliance deadlines, issued product recalls ensuring public health and safety and created new outreach and communication avenues for patients, licensees and the public to easily access important resources. This includes a new licensee collaborative for regulators and cannabis industry experts to work together on emerging issues impacting the cannabis industry.

These accomplishments have taken place while simultaneously striving to achieve the objectives of our strategic plan and adopting a cultural transformation journey across the division, in conjunction with the rest of DHSS.

Finally, we have continued to closely monitor potential future developments such as legislative proposals for DHSS responsibilities in regulating hemp-derived cannabinoids or changes to the program that could result from federal cannabis rescheduling efforts.

These highlights represent just a portion of a year characterized by change and growth. As a division, we recognize change is not a temporary phase but is inherent in the work we do. We encourage open communication and welcome anyone affected by our regulatory responsibilities to reach out regarding these shared experiences of progress and success.

Respectfully,



Amy Moore, Director
Division of Cannabis Regulation



CANNABIS REGULATION IN MISSOURI

Article XIV, Section 1 of the Missouri Constitution

Section 1 grants DHSS authority to license and regulate medical cannabis in Missouri by:

- Granting or refusing to grant state licenses.
- Developing forms, certificates, licenses, Identification (ID) cards and applications.
- Tracking medical cannabis from seed to sale.
- Issuing standards for sanitation, storage, transportation and labeling of products.
- Charging fees.
- Conducting inspections, investigations, searches and seizures.
- Suspending, restricting and revoking any issued license and/or certification.
- Imposing fines or administrative penalties for violations.

It allows:

- Individuals with qualifying medical conditions to access medical cannabis in Missouri.
- State-licensed physicians and nurse practitioners to recommend medical cannabis for certain qualifying conditions.
- Patients the right to discuss possible benefits of medical cannabis and the right to use medical cannabis under the supervision of a physician or nurse practitioner.



Dec. 6, 2018:
Article XIV, Section 1 of the Missouri Constitution became effective

Article XIV, Section 2 of the Missouri Constitution

Section 2 grants DHSS authority to control the commercial production and distribution of cannabis under a system that licenses, regulates and taxes the businesses involved while protecting public health.

The purpose of Section 2:

- Eliminate arrest and penalty for personal possession by adults 21 years of age or older.
- Prevent the distribution of cannabis to persons under 21 years of age.
- Remove the production and distribution of cannabis from the illicit market.
- Prevent diversion of regulated cannabis to illicit markets.
- Protect public health by ensuring safe access to regulated cannabis products.
- Ensure the security of cannabis facilities.

It allows:

- Individuals 21 years of age and older to legally purchase, possess and consume cannabis in Missouri.
- Existing medical facility licensees to convert to a comprehensive license and sell cannabis to qualifying patients, patient caregivers and consumers 21 years of age and older.
- Personal consumers over the age of 21 to apply for an ID card to cultivate cannabis.



**Dec. 8, 2022:
Article XIV, Section 2 of the
Missouri Constitution became
effective**

A close-up photograph of a cannabis plant, showing serrated leaves and a developing flower bud, overlaid with a dark blue tint.

02

PROGRAM YEAR 2024



Visit our website for
additional information

[Cannabis.Mo.Gov](https://cannabis.mo.gov)



SECTIONS



Program Year Achievements

DHSS continues to adapt, evolve and educate to achieve its regulatory mission.



Distribution of Funds

Cannabis-related tax revenues and fees funded veterans' health services, addiction treatment and legal assistance for low-income Missourians.



Identification Cards and Licenses

DHSS has regulatory oversight of individuals with department-issued ID cards and facility licensees.

PROGRAM YEAR 2024 ACHIEVEMENTS

DHSS is dedicated to ensuring transparency of the cannabis program by providing reports such as this one, creating opportunities for collaboration and providing a liaison to the public, licensees, applicants and stakeholders throughout the state. DHSS meets with licensees and other stakeholders for feedback to ensure regulations protect the safety of patients, consumers and the public without undue burden on licensees.

DHSS continues to provide many avenues for public communication, including a call center, a public email address to receive general program inquiries, a website with program information such as application guidance and checklists, answers to frequently asked questions, data reports, rule variance notices and guidance for individual ID card holders and licensees. DHSS provides presentations to various organizations, participates in state agency workgroups and partners with state and national associations. Additional achievements are highlighted below:

Regulation

- Implemented the preapproval process to ensure product is compliantly designed, packaged and labeled prior to sale to patients, caregivers and consumers.
- Released and updated interactive reporting dashboards on the DHSS website for cannabis sales and the following processes: Business Change Applications, Commencement Inspections and Item Approval Applications.
- Released interactive dispensary location map on the DHSS website.
- Researched industry standards and best practices to develop research licenses as authorized in Article XIV. DHSS hosted two listening sessions to engage the public and consider their views in license development. DHSS also connected with other states with cannabis research licenses to discuss license development strategies.
- Conducted the second round of microbusiness licensing and issued application fee refunds to eligible applicants not selected.
- Issued 57 new microbusiness licenses in PY24 for a total of 96 licenses since program inception.
- Issued five cannabis product recalls due to public health and safety risks.

Education

- Hosted two microbusiness welcome meetings covering key topics including licensee compliance, educational resources and key contacts within DHSS. The meetings provided networking opportunities for licensees and compliance staff. PowerPoint slides of the most recent welcome meeting may be found on the DHSS website.
- Held in-person licensee workshops in St. Louis, Jefferson City and Lee's Summit, covering key topics regarding licensee compliance and enforcement, educational resources, contact information and public outreach efforts. The workshops also provided licensees the opportunity to network and spend time with compliance and enforcement staff. PowerPoint slides

of the workshop information are available on the DHSS website.

- Provided online licensee learning sessions covering key topics regarding licensee compliance and enforcement. The listening sessions were 45-minute webinars providing educational resources and contact information. A recording, PowerPoint slides and transcript are available on the DHSS website.
- Attended the Cannabis Regulators Association (CANNRA) meeting for external stakeholders and the annual meeting for government agencies.
 - ▶ CANNRA is a nonpartisan association of government agencies regulating cannabis and cannabinoids and includes members from more than 45 states and U.S. territories, Canada, the Netherlands, Malta and Albania. Their mission is to convene, educate and support government jurisdictions responsible for implementing cannabis and cannabinoid policies and regulations.
 - ▶ Staff led and participated in several CANNRA subcommittees.
 - ▶ 2024 external stakeholder topics included emerging topics in regulatory science, consumer and product safety, research and public health and social and economic equity.
 - ▶ 2024 annual meeting topics included sale and traceability systems, product safety, human trafficking in the illicit market and litigation trends.
- Participated in state-wide customer service leadership training with the Customer Service Center (CSC) workgroup hosted by the Missouri Office of Administration and consultant Andrew Reise. The training focused on call center process improvements and was conducted

over two training sessions. The training covered best practices in seven topic areas foundational to CSC Operations and provided managers, supervisors, trainers and quality assurance specialists with a common language and toolset for all State of Missouri CSCs. Session activities provided practical application of the tools and equipped the participants to share the tools within their respective teams.

Outreach

- Published *The Cannabis Connection* quarterly newsletter and *DCR Out Loud* monthly podcast. The newsletter and podcast provide a wide range of information to licensees, patients, consumers, facility agents and the public. These media are geared towards providing cannabis regulation information and resources, ensuring transparency in the program and assisting in building collaborations with key stakeholders.
- Created an email subscription for licensed facility employees, patients, consumers and the public. The email subscription, through GovDelivery, allows individuals to subscribe to various topics ensuring stakeholders are well informed.
 - ▶ Topics include cultivation, manufacturing and dispensary employed agents, microbusiness news and events, public health and safety and more. Currently, there are approximately 1,000 subscribers in each topic category.
 - ▶ Email bulletins include information on regulatory compliance guidance, product recalls and other licensee and public information. In 2024, 71 bulletins were distributed.
- Established the Missouri Cannabis Regulation Collaborative, which brings together regulators and cannabis industry

experts to work on emerging issues impacting the industry, such as cannabis rescheduling and other federal actions, statewide and programmatic planning and market conditions.

- ▶ Comprised of 30 members representing different licensee types and regions of the state.
 - ▶ Hosted two meetings in PY24 with quarterly meetings scheduled for PY25.
 - ▶ Serves as a platform for licensees and regulators to build stronger relationships, address challenges and to share information and knowledge.
- Expanded call center hours of operation to five days a week, 9 a.m.–4 p.m., to better serve the public through extended frontline team availability. The call center answers general program questions and provides application support for both individual and business applicants.

Funding

- Recorded \$182 million in medical cannabis retail sales, for a total of \$1.07 billion since program inception. This resulted in \$7.4 million in sales tax deposited into the Veterans' Health and Care Fund (Veterans' Fund) in PY24 with a total of \$41.2 million in sales tax deposited since program inception.*
- Transferred \$6.5 million from the Veterans' Fund to the Missouri Veterans Commission (MVC) bringing the cumulative amount transferred to \$46.4 million.
- Recorded \$1.26 billion in adult-use cannabis product retail sales, for a total of \$2.2 billion since program inception. This resulted in \$72.3 million in sales

tax deposited into the Veterans, Health and Community Reinvestment Fund (Reinvestment Fund) in PY24, with a total of \$117.3 million in sales tax deposited since program inception.

- Transferred \$31.6 million from the Reinvestment Fund; \$10.5 million each to MVC, the DHSS Substance Use Disorder (SUD) grants program, and the Missouri State Public Defender System (MSPD).

Microbusiness Program

The microbusiness program was established pursuant to Article XIV, Section 2. A microbusiness license will operate on a smaller scale than medical or comprehensive licenses. This license type is designed to provide a path to facility ownership for individuals who may not otherwise easily access that opportunity. A microbusiness dispensary facility is licensed to engage in the process of dispensing cannabis product for medical or adult use, while a microbusiness wholesale facility is licensed to cultivate and/or manufacture cannabis product for medical or adult use. Forty-eight microbusiness licenses are to be awarded in three separate rounds for a total of 144 licenses. Six licenses are awarded per congressional district during each round: two microbusiness dispensary facilities and four microbusiness wholesale facilities. The Missouri Constitution requires that microbusiness licenses be awarded to entities that are majority-owned and operated by individuals who meet at least one of the eligibility criteria set forth in Article XIV, Section 2. The second round of microbusiness licensing was held in PY24. The application period for

**In the PY22 and PY23 Annual Reports, DHSS noted the expectation that the adult-use cannabis market would impact patient participation in the medical program and in turn, impact the sales tax revenue to the Veterans' Fund. The adult-use program, in combination with Dec. 8, 2022 constitutional provisions regarding patient, caregiver and patient cultivator fees led to an initial 87% decline in patient applications for PY23. This downward trend has continued through PY24. The total number of active patient ID cards increased slightly in PY24, but the tax revenue deposited into the Veterans' Fund in FY24 decreased by 55%. DHSS will continue to monitor the trends and their impacts on the Veterans' Fund.*

the second round of microbusiness licensing began April 15, 2024, and closed April 29, 2024. DHSS issued 57 licenses during the second round, which included an additional nine licenses to specific congressional districts to replace those revoked in the first round. Within 60 days of the issuance of the licenses, the Chief Equity Officer (CEO) is required to conduct a review of and certify that microbusiness licenses were awarded to eligible applicants. The CEO is required to publish the review containing aggregate data pertaining to the license eligibility criteria for the public. The review for the second round of licensing was completed Sept. 20, 2024, and published Oct. 10, 2024, to the DHSS website which met the constitutional requirement.

Article XIV, Section 2 requires the CEO to establish public education programming and targeted technical assistance programming dedicated to communities that have been impacted by marijuana prohibition. The CEO must provide interested parties with information detailing the licensing process and inform them of available DHSS resources. DHSS provided information in various platforms to include *The Cannabis Connection* newsletter, the *DCR Out Loud* podcast and an email subscription service. Prior to the application period for the second round, the CEO conducted in-person outreach forums across the state and participated in additional events hosted by external stakeholders. Events were designed to provide potential applicants with information on requirements, processes and eligibility criteria. DHSS hosted both in-person and webinar events between January and April 2024 to assist applicants with completing submissions through the online registry portal.

On April 4, 2024, DHSS issued a press release announcing the second round

of microbusiness applications would be accepted April 15–29, 2024. In the release, DHSS explained Article XIV explicitly states microbusiness licenses must be owned and operated by eligible individuals and an individual owner with little to no knowledge, control, agency or decision-making authority in an application or license does not meet the intent or meaning of the requirement in Article XIV.

During the second round of licensure review, the CEO certified eligibility for 18 microbusiness wholesale licenses and seven microbusiness dispensary licenses. The CEO identified indications of ineligibility for 15 microbusiness wholesale licenses and 17 microbusiness dispensary licenses. The 32 licenses that were not certified as eligible are subject to revocation. Notices of pending revocation were sent to these licensees and provided a 30-day response period, in accordance with Article XIV and 19 CSR 100–1, during which licensees may submit records or information demonstrating why the license should not be revoked.

The CEO is required to provide an annual activity report to DHSS no later than Jan. 1, 2025, detailing the CEO's and division's activities in guaranteeing compliance with the applicant criteria set forth in Article XIV, Section 2.4(12). The CEO activity report for 2024 was published to DHSS' website on Dec. 23, 2024.

Missouri Cannabis State Reference Laboratory

To ensure accurate testing of cannabis products, DHSS implemented a comprehensive plan to use the Missouri State Public Health Laboratory (MSPHL) as the state reference laboratory for cannabis testing.

Cannabis testing will be performed within the Chemistry and Environmental Bacteriology Units of the MSPHL. These analytical testing units are building capacity by performing outreach activities, implementing security measures for storing samples, creating partnerships with external partners, conducting instrument installations, completing testing procedure validations and training and attending industry conferences.

Each of these activities is underway with all cannabis testing laboratory instrumentation installed and some procedures validated and approved by MSPHL management. DHSS also conducted preliminary research and planning for the process of adding International Organization for Standardization (ISO) accreditation for cannabis testing at the MSPHL. State reference laboratory testing will include identifying and quantifying the levels of cannabinoids present in cannabis products, moisture content and screening for contaminants such as pesticides, heavy metals and mold.



DISTRIBUTION OF FUNDS

Article XIV, requires the state treasurer to create designated funds for revenues generated from fees and the retail sales tax on cannabis products, prescribes how revenues are to be allocated for use and prohibits any monies remaining in designated funds to be credited to the general revenue fund.

Article XIV, Section 1 of the Missouri Constitution

A four percent statewide tax is levied on the retail sale of cannabis in Missouri for medical use. The tax is collected by each licensed dispensary for medical sales and remitted the month after sale to the Missouri Department of Revenue (DOR). DOR may retain no more than two percent of the total tax collected for their administration costs, depositing the remainder into the Veterans' Fund. Additional information and tax remittance schedules are available on the DOR website.

DHSS administration of the medical cannabis program is funded by the Veterans' Fund in the amount necessary to carry out its regulatory responsibilities under Article XIV, Section 1, including repayment of any cash operating transfers, payments made through contract or agreement with other state and public agencies necessary to implement the program and a cash reserve to maintain a reasonable working cash balance for the purpose of implementing the program. DHSS spending authority is limited and approved by the state legislature through the annual budget appropriation process.

The remaining funds are available to be transferred to MVC, subject to appropriation by the state legislature. Figure 1 details, by state fiscal year (FY), the appropriated budget for the Veterans' Funds, revenues deposited into the Veterans' Fund, expended budget and amounts transferred to the MVC.

FIGURE 1: VETERANS' FUND (MEDICAL)

FISCAL YEAR	APPROPRIATED BUDGET	MEDICAL CANNABIS REVENUES	EXPENDED BUDGET	TRANSFERS TO MVC
FY19	\$3,264,380	\$3,978,496	\$687,230	\$0
FY20	\$14,864,082	\$21,530,724	\$7,284,401	\$0
FY21	\$17,592,584	\$13,971,974	\$10,876,267	\$2,135,510
FY22	\$28,103,489	\$25,704,472	\$10,277,439	\$11,843,310
FY23	\$29,964,404	\$26,155,980	\$7,968,630	\$13,000,000
FY24	\$27,236,460	\$11,735,402	\$5,906,128	\$13,000,000
FY25	\$24,768,865	\$3,811,025	\$1,722,288	\$6,500,000

Missouri state fiscal year is July 1–June 30. This data reflects all appropriations, revenues and expenses for the Veterans' Fund. Prior Years' annual reporting solely reflected the appropriations for DHSS. Revenues are comprised of fees, taxes on the sale of medical products and any interest generated on the investments of the fund. The first medical retail sales occurred Oct. 16, 2020 (FY21). FY21 was the first year the state legislature appropriated a transfer to MVC. Transfers are not included in the expended budget. FY25 revenues, expended budget and transfers are current as of Nov. 30, 2024.



Article XIV, Section 2 of the Missouri Constitution

A six percent statewide tax is levied on the retail sale of cannabis in Missouri for adult use. The tax is collected by each licensed dispensary for adult-use retail sales and remitted the month after sale to the DOR. DOR may retain no more than two percent of the total tax collected for their administration costs, depositing the remainder into the Reinvestment Fund. Additional information and tax remittance schedules are available on the DOR website.

DHSS administration of the adult-use cannabis program is funded by the Reinvestment Fund in the amount necessary to carry out its regulatory responsibilities under Article XIV, Section 2, including repayment of any cash operating transfers, payments made through contract or agreement with other state and public agencies necessary to implement the program and a cash reserve to maintain a reasonable working cash balance for the purpose of implementing the program. DHSS spending authority is limited and approved by the state legislature through the annual budget appropriation process.

Figure 2 details, by state fiscal year, the appropriated budget for the Reinvestment Fund, revenues deposited into the Reinvestment Fund and expended budget.

FIGURE 2: REINVESTMENT FUND (ADULT-USE)

FISCAL YEAR	APPROPRIATED BUDGET	ADULT-USE CANNABIS REVENUES	EXPENDED BUDGET
FY23	\$9,370,671	\$22,251,348	\$3,185,128
FY24	\$55,642,017	\$80,387,900	\$18,046,089
FY25	\$60,616,680	\$32,151,893	\$7,515,868

Missouri state fiscal year is July 1–June 30. This data reflects all appropriations, revenues and expenses for the Reinvestment Fund. Prior years’ annual reporting solely reflected the appropriations for DHSS. Revenues are comprised of fees, taxes on the sale of adult-use products and any interest generated on the investments of the fund. Transfers are not included in the expended budget; see Figure 4 below. FY25 revenues and expended budget are current as of Nov. 30, 2024.

The Reinvestment Fund is also used by governmental entities to carry out their responsibilities in the expungement of certain cannabis–related convictions, as provided in Article XIV, Section 2. This use of the Reinvestment Fund requires Missouri legislative authorization through the annual budget appropriation process. Thus far in FY25 (July 1–Nov. 30, 2024), \$473,329 has been spent on expungements bringing the cumulative total to \$4,055,227 since program inception.

FIGURE 3: ADULT-USE CANNABIS REVENUE DISTRIBUTION FLOWCHART



Any remaining appropriated funds are distributed equally as illustrated in Figure 3 and described below:

- MVC and allied state agencies to be used exclusively for health care and other services for military veterans and their dependent families.
- DHSS to provide SUD grants to agencies and not-for-profit organizations to increase access to evidence-based, low-barrier drug addiction treatment and prevention.
- MSPD to be used only for legal assistance for low-income Missourians.

All monies from the taxes and fees authorized in Article XIV, Section 2 are prescribed to provide new and additional funding for the purposes enumerated above and shall not replace existing funding. Any unexpended balance existing in the fund shall be exempt from the provisions of section 33.080, Revised Statutes of Missouri, or its successor provisions, and thus not be transferred to the general revenue fund. Figure 4 details, by fiscal year, the amounts transferred to each of the respective agency listed above. DHSS has no authority to track how other governmental agencies expend their transfer appropriation.

FIGURE 4: REINVESTMENT FUND - TRANSFERS

FISCAL YEAR	MVC	DHSS SUD GRANTS	MSPD	TOTAL
FY24	\$6,355,407	\$6,355,407	\$6,355,407	\$19,066,221
FY25	\$5,459,172	\$5,459,172	\$5,459,172	\$16,377,516
Total	\$11,814,579	\$11,814,579	\$11,814,579	\$35,443,737

Missouri state fiscal year is July 1–June 30. The state legislature authorized adult-use revenue transfers to begin in FY24. FY25 transfers are current as of Nov. 30, 2024.

DHSS Substance Use Disorder Grant Program

The state legislature appropriated \$9.1 million in FY25 to DHSS to operate the SUD grant program. This program provides grants to increase access to evidence-based, low-barrier drug addiction treatment, support overdose education and support job placement, housing and counseling for those with SUDs. The goal is to increase health outcomes and prevent and reduce the prevalence of SUDs and/or drug-related harms, including overdose.

DHSS has partnered with the Missouri Department of Mental Health (DMH) and granted \$1.2 million to support and expand Recovery Community Centers (RCCs) across the state. RCCs offer a place where people seeking recovery can be connected to community resources and assistance. The RCCs also offer regular recovery meetings, life skills classes, assistance with employment and social activities. Thus far in FY25, the SUD grant-funded RCCs initiated 1,086 new contacts, distributed 1,078 fentanyl test strips and 721 naloxone doses, and engaged in two overdose referrals. Staff made 211 housing referrals, 223 treatment referrals, 1,155 phone support calls, received 279 employment assistance requests and aided 124 individuals in being hired.

DHSS also partnered with DMH by granting \$1.5 million for Peer Respite Stabilization Centers statewide, addressing a gap in care for individuals in early recovery from SUDs. This is a voluntary, short-term programming that provides community-based, non-clinical crisis support for individuals experiencing SUD or co-occurring mental health disorders. They operate 24/7 in a peer-led and trauma-informed environment that uses a social recovery model. This approach helps connect individuals with resources and empowers them to take charge of their journey.

Focusing on prevention efforts, DHSS partnered with DMH and granted \$1.15 million to enhance the capabilities of Prevention Resource Centers to implement evidence-based alcohol misuse prevention efforts and youth substance use prevention programming. Furthermore, \$500,000 was granted to fund additional Youth Behavioral Health Liaisons and a Community Behavioral Health Liaison. These liaisons will help bridge gaps between individuals at risk for substance misuse and available resources to ensure they receive needed support.

DHSS partnered with the Missouri Department of Elementary and Secondary Education and granted \$350,000 to implement and expand drug abuse resistance materials and programming, including marijuana initiatives for youth. The funding will support officer training and resource dissemination to teach students about prevention. The goal is to create an environment where students feel comfortable discussing and seeking help when needed.

Additionally, DHSS partnered with the Office of State Courts Administrator (OSCA) and granted \$250,000 to support treatment programs focused on medication-assisted treatment (MAT) for Missourians with SUD related to alcohol and opioid addiction. Through the Treatment Courts Coordinating Commission, OSCA entered into agreements with drug courts, DWI courts, veterans courts, mental health courts and other Missouri treatment courts to fund MAT programs. By doing so, the initiative aims to create a more robust support system for those facing addiction, reducing recidivism rates and encouraging healthier communities.

DHSS is committed to releasing the remaining funding for FY25 recognizing the critical role that these funds play in advancing the SUD grant program goal.

IDENTIFICATION CARDS AND LICENSES

Article XIV directed DHSS to develop forms, applications, certificates, licenses and ID cards necessary for its administration. This chapter reports on the number of individual ID cards, licenses and certifications issued, as required by Article XIV.

Individual ID Card Overview

DHSS has licensing authority to process applications and issue ID cards for qualifying patients, caregivers, patient/caregiver cultivators, consumer personal cultivators and facility agents.

Patient and Caregiver ID Cards

The number of new and renewal patient ID cards issued in PY24 decreased by a total of 85% compared to PY23. These decreases are due to the implementation of the Dec. 8, 2022, Article XIV, Section 2 adult-use cannabis program and the constitutional provision to extend ID card renewals from annually to every 3 years.

FIGURE 5: ISSUED PATIENT AND CAREGIVER ID CARDS

ID CARD TYPE	PY22	PY23	PY24
Patient-New	126,192	40,173	14,575
Patient-Renewal	78,720	65,440	1,040
Patient-New Cultivation	9,302	4,505	1,587
Patient-Cultivation Renewal	15,391	11,994	183
Caregiver-New	2,220	1,100	470
Caregiver-Renewal	974	789	6

FIGURE 6: ACTIVE PATIENT AND CAREGIVER ID CARDS

ACTIVE ID CARDS	PY22	PY23	PY24
Patient	205,897	109,812	118,892
Patient Cultivation	25,627	17,143	18,491
Caregiver	2,910	1,878	2,254

The total number of active patient ID card holders increased by 8% from PY23 to PY24.

Consumer Personal Cultivation ID Cards

Article XIV, Section 2 authorizes DHSS to issue consumer personal cultivation ID cards allowing individuals at least 21 years of age to cultivate cannabis plants for non-commercial use beginning Feb. 3, 2023.

FIGURE 7: CONSUMER PERSONAL CULTIVATION ID CARDS ISSUED AND IN ACTIVE STATUS

CONSUMER PERSONAL CULTIVATION ID CARDS	PY23	PY24
Issued	2,184	1,250
Active	2,170	2,236

Agent ID Cards

All employees, contractors, owners and volunteers who have access to a licensed facility are required to obtain an agent ID card before beginning employment, work or volunteer services. Agent ID cards are valid for three years. In PY24, the number of agent ID cards issued decreased by 40% from PY23.

In November 2024, DHSS received FBI approval of its statutory authority to receive fingerprints for state and federal background checks to screen for disqualifying felony offenses and will resume this requirement for agent ID applicants in PY25.

FIGURE 8: ISSUED, RENEWED AND ACTIVE AGENT ID CARDS

AGENT ID CARDS	PY22	PY23	PY24
Issued	4,243	9,235	5,558
Renewed	N/A	460	1,491
Active	10,101	18,843	20,909

PY23 was the first year agent ID cards were due for renewals as the first agent ID cards were issued in April 2020.

Facility Licensee Overview

DHSS continues to accept applications for transportation and seed-to-sale certifications on an ongoing basis. Microbusiness applications were open for a two-week period in PY24 with an additional application period planned to take place in PY25–PY26. Any other new licenses issued in PY24 are from previously denied medical facility applications that were awarded through agreements in the appeals process.

A continuing regulatory priority for DHSS is to verify that each new licensee complies with the minimum standards for licensure in Article XIV and 19 CSR 100–1. Once a minimum standards review is complete, licensees may either submit certain business change applications or proceed through the commencement inspection process to receive approval to operate.

FIGURE 9: LICENSES AND CERTIFICATIONS ISSUED

LICENSEE TYPE	NUMBER OF LICENSEE TYPE
Cultivation	1
Dispensary	7
Manufacturing	1
Microbusiness Dispensary	25
Microbusiness Wholesale	33
Seed to Sale	0
Transportation	4
Testing	0
Warehouse	0
Total	71

Licensees must seek and obtain DHSS approval for business change applications before they may:

- Change the licensee’s facility or warehouse location – 19 CSR 100–1.100(2)(D) and 19 CSR 100–1.100(3)(C). See Figure 10, column titled “Location”.
- Make any changes that would result in an individual becoming an owner of the licensed entity who was not previously an owner – 19 CSR 100–1.100(2)(B). See Figure 10, column titled “Ownership”.
- Make any changes that would result in an overall change in ownership interests of 50% or more from the last approved ownership of the licensee – 19 CSR 100–1.100(2)(C) and 19 CSR 100–1.100(3)(B). See Figure 10, column titled “Ownership”.
- Transfer license to a different entity with the same ownership – 19 CSR 100–1.100(2)(A) and 19 CSR 100–1.100(3)(A). See Figure 10, column titled “Transfer of Entity – Same Ownership”.

FIGURE 10: BUSINESS CHANGE APPLICATIONS RECEIVED BY LICENSEE TYPE

LICENSEE TYPE	LOCATION	OWNERSHIP	TRANSFER OF ENTITY SAME OWNERSHIP	TOTAL
Cultivation	5	14	2	21
Dispensary	23	62	0	85
Manufacturing	11	20	2	33
Microbusiness Dispensary	5	0	4	9
Microbusiness Wholesale	6	0	13	19
Testing	0	0	0	0
Transportation	2	3	0	5
Total	52	99	21	172

Commencement Inspections

To help ensure a licensed facility’s operational readiness under the provisions of Article XIV and rules in 19 CSR 100–1, licensees must request and pass a commencement inspection before they may do any of the following (19 CSR 100–1.030(3)):

- Begin operations under a new license or at a new location.
- Occupy or utilize new space for which the licensee has not previously received approval to operate, including vehicles.
- Share space with another licensee.
- Change the use of spaces.

FIGURE 11: COMMENCEMENT INSPECTIONS RECEIVED BY LICENSEE TYPE AND INSPECTION TYPE

LICENSEE TYPE	NEW LICENSE/ATO	NEW LOCATION	NEW SPACE	SHARED SPACE	CHANGE USE	TOTAL
Cultivation	6	3	40	71	39	159
Dispensary	14	13	22	1	42	92
Manufacturing	6	4	31	44	37	122
Microbusiness Dispensary	2	0	0	0	0	2
Microbusiness Wholesale	3	0	1	0	2	6
Testing	0	0	5	0	0	5
Transportation	1	1	24	8	4	38
Total	32	21	123	124	124	424

Failed Tests and Remediation Requests

Mandatory testing must be conducted on all final products to adequately assess for contaminants and cannabinoid profile consistency (19 CSR 100–1.110(7)). This requirement is in place to ensure the health and safety of the public regarding products under the regulatory authority of DHSS.

All products that fail mandatory testing must be reanalyzed, remediated or destroyed within three months of initial test failure (19 CSR 100–1.110(10)). The products that fail mandatory testing are placed on administrative hold until the licensee receives DHSS approval to reanalyze, remediate or destroy the product. Product that fails mandatory testing for heavy metals may not be remediated but may be reanalyzed with DHSS approval (19 CSR 100–1.110(10)(C)).

DHSS developed a list of preapproved remediation actions that can be taken by notifying DHSS of their planned remediation action (19 CSR 100–1.110(11)). The listed remediation actions are common and effective actions licensees may take to address a mandatory test failure. Any remediated product must pass mandatory testing before selling to the public for consumption (19 CSR 100–1.110(10)(B)2.B).

FIGURE 12: NUMBER OF FAILED TESTS BY TEST TYPE AND LICENSEE TYPE

TEST TYPE	CULTIVATION	MANUFACTURING	TOTAL
Cannabinoid Profile Screening	0	6	6
Chemical Residue Screening	7	55	62
Foreign Matter Screening	2	0	2
Heavy Metal Screening	17	40	57
Microbial Screening	135	76	211
Residual Solvent Screening	2	110	112
Water Activity and Moisture Content Screening	17	9	26
Total	180	296	476

FIGURE 13: NUMBER OF REMEDIATION REQUESTS BY FAILED TEST TYPE AND LICENSEE TYPE

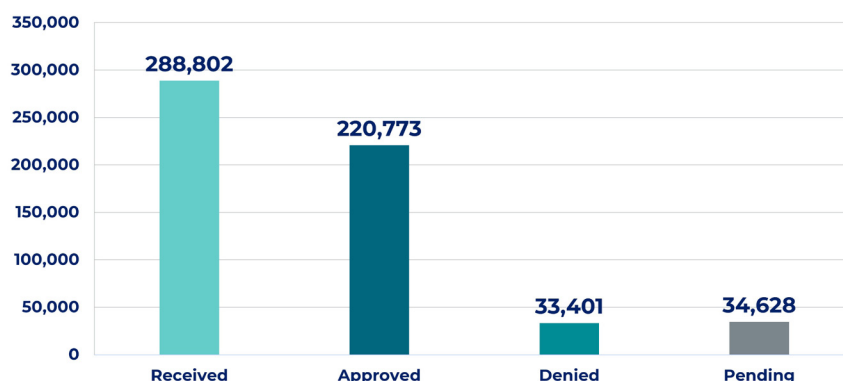
REMEDIATION NOTIFICATION (APPROVED)	CULTIVATION	MANUFACTURING	TOTAL
Chemical Residue Screening	0	3	3
Heavy Metal Screening	0	2	2
Microbial Screening	61	31	92
Residual Solvent Screening	0	45	45
Water Activity and Moisture Content Screening	5	4	9
Total	66	85	151

REMEDIATION REQUEST (REQUIRES APPROVAL)	CULTIVATION	MANUFACTURING	TOTAL
Chemical Residue Screening	0	1	1
Heavy Metal Screening	0	0	0
Microbial Screening	12	7	19
Residual Solvent Screening	0	0	0
Water Activity and Moisture Content Screening	0	4	4
Total	12	12	24

Cannabis Product, Package and Label Design: Item Approval Process

On Sept. 1, 2023, DHSS implemented the item approval process to facilitate licensee compliance with 19 CSR 100–1.120(2). The item approval process is in place to ensure all products, packages and labels are designed in a manner that protects public health and are not attractive to children. This process requires licensees to submit each final product, package and label design to DHSS for review and approval prior to use. DHSS will deny all incomplete or non-compliant item approval applications. A list of application requirements may be found on the DHSS website. The item approval process was fully implemented Nov. 1, 2024.

FIGURE 14: NUMBER OF ITEM APPROVALS RECEIVED, APPROVED AND DENIED



A close-up photograph of a cannabis plant, showing serrated leaves and a developing flower bud, overlaid with a dark blue tint.

03

ACTIONS AND WRAP-UP



Visit our website for
additional information

[Cannabis.Mo.Gov](https://cannabis.mo.gov)



SECTIONS



Regulatory Enforcement

DHSS investigates licensed facility non-compliance. Penalties can range from fines, to suspension, to revocation of licenses, with corrective actions required.



Administrative Hearing Commission Appeals

The AHC reviews cases impartially, ensuring DHSS actions are fair and legally compliant.



Conclusion

The accomplishments of PY24 highlight the department's commitment to transparency and public health and safety.

REGULATORY ENFORCEMENT

DHSS provides safe and secure access to cannabis products through consistent regulation, enforcement and education. Enforcement actions are sometimes necessary to protect the health and safety of citizens.

It is important to note that DHSS only has authority over any entity licensed or certified by Missouri's cannabis regulation program. DHSS does not have authority over any individual, facility or business outside that constitutional authority. For example, individuals who hold an ID card issued by DHSS for specific cannabis-related activities are under DHSS' authority but only regarding those specific activities. Individuals who do not hold an ID card issued by DHSS are not under DHSS' authority. Violations of cannabis-related laws over which DHSS has no authority or by individuals not subject to DHSS' authority remain the purview of local, state and federal law enforcement.

DHSS has the authority to revoke patient and agent ID cards and has the authority to fine, restrict, suspend and revoke licenses and certifications for violations of Article XIV and 19 CSR 100-1. DHSS may receive complaints from the public, law enforcement or other agencies or organizations. In addition to receiving complaints, DHSS may open an investigation through the normal compliance verification processes.

In PY24, DHSS revoked 11 individual ID cards, licenses or certifications. DHSS suspended two licensees, neither of which has resumed operations after coming into compliance. Seven facility licenses expired or were deactivated.

Individual ID Cardholder Enforcement

DHSS may investigate an individual cardholder if there is reason to believe the individual has violated or is violating any provision of Article XIV or 19 CSR 100-1 that could affect the individual's right to continue holding a DHSS-granted individual ID card (19 CSR 100-1.030). The outcome of these investigations may result in the revocation of an individual ID card.

FIGURE 15: NUMBER OF INDIVIDUAL CARDHOLDER INVESTIGATIONS OPENED

TYPE OF INVESTIGATION	INVESTIGATIONS OPENED
Compliance	6
Distribution	8
Over Plant Count	3
Security	10
Theft	23
Total	50

Facility License Enforcement

DHSS may conduct an inspection or investigation of a licensee or facility at any time, including an inspection of any part of the premises or records of a licensed or certified entity (19 CSR 100-1.030(2)). Additionally, DHSS may initiate investigations upon receiving a complaint or upon DHSS staff discovering an issue during an inspection or review. In all cases, DHSS will determine whether the allegations in the complaint warrant further

investigation. Not all complaints received warrant a formal investigation. In cases where the matter falls outside the scope, the complaint may be referred to the appropriate outside agency, if applicable. If an investigation is warranted, DHSS will advise the licensee of the nature of the allegations in the complaint and provide the licensee with an opportunity to respond.

If it is determined a licensee is not in compliance with Article XIV or 19 CSR 100–1, DHSS may issue an educational warning or Initial Notice of Violation (INOV) explaining how the licensee is in violation and what remedial or corrective actions the licensee is expected to take. Within 15 days of the date on the notice, the licensee must complete the specified remedial actions and notify DHSS in writing of that completion or request additional time for remediation, if necessary.

If the licensee does not complete the required remedial or corrective actions expected, DHSS may issue a Final Notice of Violation (FNOV). If the licensee does not complete the required remedial or corrective actions outlined in the FNOV within 30 days, DHSS may suspend or fine the licensee as outlined in rule until the corrective or remedial actions have been taken by the licensee.

In instances where a licensee receives multiple or recurring INOVs in a 12-month period, DHSS may require the licensee to:

- Acquire certification or accreditation to a quality management system standard chosen by DHSS at the expense of the licensee.
- Be subject to an audit of the licensee’s processes or practices relevant to the violations by a third-party auditor chosen by DHSS at the expense of the licensee.

Further, more serious violations could result in the suspension or revocation of the license. Prior to revoking or suspending a facility license, DHSS will issue a notice to the licensee, which will include the basis for a pending revocation or suspension. Except where there is a credible and imminent threat to public safety, the revocation or suspension will not take effect until 30 days after the date on the notice. During the 30-day period, the licensee will have the opportunity to resolve the deficiencies listed in the notice and/or respond to the allegations and submit records or information demonstrating why the license should not be revoked or suspended. Examples of more serious violations include, but are not limited to, providing false and misleading information to DHSS, track and trace violations, marijuana product testing violations and security of marijuana product or facility security violations.

If, at any time, DHSS determines a licensee presents an immediate and serious threat to the health and safety of the public or the licensee’s employees, DHSS may order the licensee to immediately suspend all or a part of its operations until the licensee has eliminated the threat.

FIGURE 16: NUMBER OF LICENSED FACILITY INVESTIGATIONS OPENED

TYPE OF INVESTIGATION	INVESTIGATIONS OPENED
Compliance	38
Diversion/Inversion	65
Legal	3
Product	16
Sales	9
Security	63
Theft	2
Unlicensed	19
Total	215

ADMINISTRATIVE HEARING COMMISSION APPEALS

Should it become necessary to deny an application or impose penalties against an ID card holder, license or certification, the impacted entity may seek review at the Administrative Hearing Commission (AHC). The AHC acts as a neutral and independent tribunal to impartially review department decisions.

Individual ID Cards

During PY24, the AHC received four appeals from denied individual ID card applicants: three patients and one consumer personal cultivator. All four cases were resolved and dismissed prior to hearing.

Microbusiness Applicants

During PY24, 57 microbusiness applicants were issued a license, and the remaining 2,026 applications were denied as a result of the lottery selection process. Four applicants have sought AHC review of the application denial.

Medical Facility Applicants

Between Dec. 2019 and Feb. 2020, AHC received 857 appeals from medical facility applicants denied due to the scoring and ranking process mandated by Article XIV, Section 1. At the end of PY24, 61 cases remained, 735 cases have been dismissed and 49 Summary Decisions were granted in favor of DHSS. One Summary Decision was granted in favor of the applicant. Nine denials of a license were upheld by the AHC after hearing and two licenses were granted after hearing.

FIGURE 17: MEDICAL FACILITY APPEALS

PROGRAM YEAR	CASES DISMISSED	CASES SETTLED	TOTAL CASES
PY20	116	1	117
PY21	139	25	164
PY22	95	14	109
PY23	133	13	146
PY24	191	8	199
Total	674	61	735

FIGURE 18: SUMMARY DECISIONS

PROGRAM YEAR	GRANTED IN FAVOR OF DHSS	GRANTED IN FAVOR OF APPLICANT
PY20	6	0
PY21	23	1
PY22	8	0
PY23	12	0
PY24	0	0
Total	49	1

FIGURE 19: AHC HEARINGS

PROGRAM YEAR	UPHELD DENIAL OF LICENSE	GRANTED LICENSE
PY20	0	0
PY21	0	0
PY22	4	2
PY23	5	0
PY24	0	0
Total	9	2

Penalty Appeals

If a licensee violates provisions of Article XIV or 19 CSR 100-1, DHSS may fine, suspend, revoke or restrict a license. The licensee may choose to challenge any such penalties imposed by DHSS with the AHC. From Dec. 2019–Nov. 2024, the AHC received 27 penalty appeals, of which nine have been dismissed and 18 remain pending.

FIGURE 20: PENALTY APPEALS

PROGRAM YEAR	CASES FILED	CASES DISMISSED	CASES PENDING
PY20	1	0	1
PY21	11	3	9
PY22	0	4	5
PY23	2	0	7
PY24	13	2	18
Total	27	9	18

FIGURE 21: CASES DISMISSED BY TYPE

PROGRAM YEAR	DISMISSED VIA SETTLEMENT	AHC ORDER OF DISMISSAL	AHC DECISION	PETITIONER DISMISSAL
PY20	0	0	0	0
PY21	3	0	0	0
PY22	0	0	0	4
PY23	0	0	0	0
PY24	0	1	1	0
Total	3	1	1	4

CONCLUSION

DHSS has made significant strides in the regulation and oversight of cannabis within the state. The accomplishments of PY24 highlight the department's commitment to transparency and public health and safety. From the issuance of new microbusiness licenses to the strong enforcement of public health protections and the establishment of educational outreach programs, DHSS continues to adapt and evolve in response to the dynamic environment of cannabis regulation. The department's efforts not only ensure compliance and safety but also promote collaboration and support within the cannabis community. As Missouri moves forward, DHSS remains dedicated to maintaining a robust regulatory structure that protects patients, consumers and the public.



TABLE OF FIGURES

Figure 1: Veterans' Fund (Medical).....	19
Figure 2: Reinvestment Fund (Adult-Use)	20
Figure 3: Adult-Use Cannabis Revenue Distribution Flowchart	21
Figure 4: Reinvestment Fund: Transfers.....	21
Figure 5: Issued Patient and Caregiver ID Cards	23
Figure 6: Active Patient and Caregiver ID Cards	23
Figure 7: Consumer Personal Cultivation ID Cards Issued and in Active Status	23
Figure 8: Issued, Renewed and Active Agent ID Cards.....	24
Figure 9: Licenses and Certifications Issued	24
Figure 10: Business Change Applications Received by Licensee Type.....	25
Figure 11: Commencement Inspections Received by Licensee Type and Inspection Type.....	26
Figure 12: Number of Failed Tests by Test Type and Licensee Type	26
Figure 13: Number of Remediation Requests by Failed Test Type and Licensee Type	27
Figure 14: Number of Item Approvals Received, Approved and Denied.....	27
Figure 15: Number of Individual Cardholder Investigations Opened.....	30
Figure 16: Number of Licensed Facility Investigations Opened	31
Figure 17: Medical Facility Appeals.....	33
Figure 18: Summary Decisions.....	33
Figure 19: AHC Hearings.....	33
Figure 20: Penalty Appeals	33
Figure 21: Cases Dismissed by Type.....	33



MISSOURI DEPARTMENT OF
**HEALTH &
SENIOR SERVICES**

Our Vision: Optimal Health and
Safety for all Missourians



info@health.mo.gov



573-751-6400